

September 15, 1983

exportation) which departed from \_\_\_\_\_ (Date); and that \_\_\_\_\_ (Class of labor specified in finding) was not employed in any stage of the mining, production, or manufacture of the merchandise or of any component thereof.

Dated \_\_\_\_\_

(Signature)

(b) The importer shall also submit to the Commissioner of Customs within such 3-month period a statement of the ultimate consignee of the merchandise, showing in detail that he had made every reasonable effort to determine the source of the merchandise and of every component thereof and to ascertain the character of labor used in the production of the merchandise and each of its components, the full results of his investigation, and his belief with respect to the use of the class of labor specified in the finding in any stage of the production of the merchandise or of any of its components.

(c) If the certificate or certificates and statements specified in paragraphs (a) and (b) of this section are submitted within the time prescribed and the Commissioner finds that the merchandise is admissible, the collector of customs concerned will be advised to that effect, whereupon he shall release the merchandise upon compliance with the usual entry requirements.

(Sec. 307, 46 Stat. 689, 19 U.S.C. 1307)

## § 12.44 Disposition.

Merchandise detained pursuant to § 12.42 may be exported at any time before it is deemed to have been abandoned as herein-after provided for. If it has not been exported within 3 months after the date of importation, the district director shall ascertain whether the proof specified in § 12.43 has been submitted within the time prescribed in that section. If the proof has not been so submitted, or if the Commissioner of Customs advises the district director that the proof furnished does not establish the admissibility of the merchandise, the district director shall promptly advise the importer in writing that the merchandise is excluded from entry. Upon the expiration of 60 days after the delivery or mailing of such advice by the district director, the merchandise shall be deemed to have been abandoned and shall be destroyed, unless it has been exported or a protest has been filed as provided for in section 514, Tariff Act of 1930. (Sec. 307, 46 Stat. 689, 19 U.S.C. 1307)

## § 12.45 Transportation and marketing of prison-labor products.

If any apparent violation of section 1761 or 1762, title 18, United States Code, with respect to any imported article comes to the attention of a district director, he shall detain the article and report the facts to the appropriate United States attorney. If the United States attorney advises the district director that action should be taken against the article, it shall be seized and held pending the receipt of further instructions from the United States attorney or the court.

Thus, if a district Customs director has reason to believe that any merchandise is being imported into the United States in violation of 19 U.S.C. § 1307, he is to communicate his belief to the Commissioner of Customs, who upon receipt of such information, may initiate an investigation. 19 C.F.R. § 12.42(a), § 12.42(d). If the Commissioner of Customs finds that the information reasonably but not conclusively indicates that § 1307 merchandise is involved, he must promptly advise the district directors to withhold the release of the such merchandise pending further instructions. 19 C.F.R.

§ 12.42(c). If the Commissioner makes a final affirmative determination, importation of the merchandise will be prohibited, unless the importer by satisfactory evidence establishes that the merchandise does not fall within the purview of § 1307. 19 C.F.R. § 12.42(g).

The Customs Service has ruled that merchandise believed to be subject to § 1307, but which has not been the subject of a finding prohibiting entry under 19 C.F.R. § 12.42(g) "shall not be detained pending the transmittal of the statement provided for in 19 C.F.R. § 12.42(a) and (b) and the receipt of advice by the Commissioner of Customs whether any such class of merchandise shall be detained or released from Customs custody." C.S.D. 79-317 (1978). In addition, packages believed to contain convict-made goods that are not clearly marked "should be detained and reported to the U.S. attorney pursuant to 19 C.F.R. § 12.45 only when there appears to be a clear violation of the provisions of 18 U.S.C. §§ 1761 or 1762 from established facts and shipping documentation. If a package is withheld release pursuant to 19 C.F.R. § 12.45, a report shall be made to U.S. Customs Service headquarters concurrently with the detention and the submission of a report to the U.S. attorney." Ibid.

In a decision dealing with auto parts made in a prison industrial work program, the Customs Service has ruled that merchandise produced in prison on an inmate's own time, where the inmate receives adequate pecuniary benefit and where there is no pecuniary benefit to the state, will not be considered to be produced under penal sanction, and thus not subject to § 1307. Unpublished C.S.D. 710306, Sept. 13, 1979.

In general, the provision has been applied to imports of small, handmade objects. For example, in 1964 the Commissioner found that "minitanks" (small plastic tanks and vehicles used in conjunction with H.O. gauge model railroad cars) made in Austrian prisons would be subject to § 1307, unless the importer established the contrary. T.D. 56126. Under current regulations, furniture, clothes hampers, and palm leaf bags from certain areas of Mexico may not be imported. T.D. 53408, T.D. 54725, 19 C.F.R. § 12.42(h).

CENTRAL INTELLIGENCE AGENCY,  
Washington, D.C., May 18, 1983.Hon. WILLIAM L. ARMSTRONG,  
U.S. Senate, Washington, D.C.

DEAR SENATOR ARMSTRONG: As you suggested, we have put together a list of Soviet industries which utilize forced labor and produce goods for export. A copy of that list is enclosed. While we have done extensive research on this question for many years, we cannot determine the exact magnitude of the contribution forced labor makes to the total output in each industry, nor can we give you a list of brand names or products. I thought you might find the enclosed article from the Fall 1982 issue of Workers Under Communism, an AFL-CIO journal, interesting. It is a generally accurate summary, consistent with our own sources of information, and includes the names of some specific products produced with the help of forced labor.

Sincerely,

WILLIAM J. CASEY,  
Director of Central Intelligence.

Enclosures.

## ENCLOSURE 1

Based on a variety of intelligence sources and open publications with information from former prisoners, CIA has compiled the following list of industries and products in which forced labor is used extensively.

Wood Products: Lumber furniture, casings for clocks, cabinets for radio and TV sets, wooden chest pieces, wooden souvenirs, wooden crates for fruit and vegetables, and cardboard containers.

II. Electronic: Cathode ray tube components, and resistors.

III. Glass: camera lenses, glassware, and chandeliers.

IV. Automotive: Auto parts, wheel rims, and parts for agricultural machinery.

V. Mining/Ore Processing: Gold, iron, aluminum, coal and peat, uranium, asbestos, limestone, and construction stone and gravel.

VI. Clothing: Coat, gloves, boots, and buttons and zippers.

VII. Petroleum Products and Chemicals.

VIII. Food: Tea.

IX. Miscellaneous: Brick and tile, watch parts, wire fences, mattresses, screens, steel drums and barrels, lids for glass jars, plumbing equipment, storage battery cases, concrete products, electric plugs/cords, electric heaters, electric motors, pumps, and woven bags.

## DEPARTMENT OF THE TREASURY,

U.S. Customs Service,

Washington, March 31, 1983.

Hon. WILLIAM L. ARMSTRONG,  
U.S. Senate, Washington, D.C.

DEAR SENATOR ARMSTRONG: Thank you for your letter of February 16, 1983, concerning the importation of specific goods and commodities into the United States from the Soviet Union. You ask for the data in consideration of 19 U.S.C. 1307, relating to the prohibition of the importation of goods made by convicts or forced labor, and for offering an amendment to the Export Administration Act to require the Soviet Union and the U.S. Treasury Department to certify annually that none of the importations are produced, in whole or in part, by forced labor.

The Foreign Trade Division, Bureau of the Census, Suitland, Maryland 20233, has supplied us with the following information for significant products imported into the United States for the 1982 year from the Soviet Union.

Commodity	Net quantity	Value
1. Platinum metal groups	336,615 lb. oz.	\$36,704,000
2. Shrinkage factor	4,196,147 lb.	10,513,000
3. Gold, silver, iron and precipitates, alloys, waste and scrap.	11,583,1 lb. oz.	4,681,800
4. Miscellaneous goods		6,104,000
5. Potassium, nitrate, whole, raw or in	76,465	7,164,000
6. Alcoholic beverages (except brandy, spirits, liqueurs, and preparations of wine and brandy).	1,117,558 gal.	8,579,000
7. Gaseous and other power fuels	269,144 mwh	10,341,000
8. Ammonia, (anhydrous and liquid), and		88,765,000
9. Potassium chloride or marine potash	65,857 mwh	4,600,000
10. Nitric acid, 68%	95,969 mwh	10,434,000
11. Radioactive isotopes	339,445 mwh	107,000
12. Inorganic bases and metallic oxides	24,926 lb.	1,674,000
13. Miscellaneous imports of unspecified value.		43,465,000
Total imports, Soviet Union		277,583,000

Government statistics and data are not recorded for firms in the United States which import goods from the Soviet Union, for brand names of consumer products, or for the point of origin in the Soviet Union. However, we note that items (8), (9) and (10) may significantly apply to the Occidental Petroleum Corporation's 20-year, \$20 billion fertilizer agreement to sell superphosphoric acid to the Soviet Union in return for Soviet ammonia, urea and potash.

The Soviet Union's closed economy and use of corrective labor as punishment imposed by court sentence make it unlikely that this Agency of the Treasury Depart-